



February 4, 2019

VIA ELECTRONIC DELIVERY

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street, S.W.
Suite 3E-218, Mail Stop 9W-11
Washington, D.C. 20219
OCC; Docket ID OCC-2018-0038

Ms. Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551
Docket No. R-1639; RIN 7100

Mr. Robert Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429
FDIC RIN 3064-AE87

RE: OCC Docket ID OCC-2018-0038; FRB Docket No. R-1639; RIN 7100; FDIC RIN 3064-AE87

Dear Ladies and Gentlemen:

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 230 state and nationally chartered banks, savings banks, and savings and loan associations located in communities throughout the State. WBA appreciates the opportunity to submit comments on an increase to the Real Estate Appraisal Threshold proposed by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (Agencies).

The proposal would increase the threshold level at or below which appraisals would not be required for residential real estate transactions. The current threshold level, which has been in place since 1994, is \$250,000. The proposal would increase the threshold level to \$400,000. In addition, the proposal would require evaluations that comport with safe and sound business practices for transactions that are exempt by the increased threshold.

WBA supports the increase, and applauds the Agencies for acknowledging the need to do so. WBA believes the increased threshold will positively impact community banks, especially those that engage in portfolio lending and those in rural areas where a shortage of appraisers has caused challenges. The proposed increase will also help community banks keep pace with strong competitive pressure posed by the rising number of secondary market appraisal waivers.

While this interagency proposal does not include the National Credit Union Administration (NCUA), if NCUA intends to increase its appraisal threshold for residential real estate-secured transactions, WBA strongly urges NCUA to adopt a threshold and standards consistent with those that are ultimately adopted by the Agencies. WBA raises this issue given NCUA's recent proposal to increase its appraisal threshold level for commercial real estate transaction to \$1,000,000 even though in April 2018 the Agencies adopted an increased threshold of \$500,000 for such commercial transactions. The playing field between all financial institutions must remain level to avoid competitive disadvantage.

WBA also urges the Agencies to review the appraisal threshold levels periodically to better reflect market changes and housing values going forward. As noted above, the current \$250,000 threshold level has been in place since 1994, yet the real estate market has changed considerably and housing values have increased substantially in the 25-year period that followed.

Once again, WBA appreciates the opportunity to comment on this important matter.

Sincerely,



Kristine Clevon
Vice President-Legal